

STAND. COM. REP. NO.

831

Honolulu, Hawaii

March 1, 2013

RE: H.B. No. 842

H.D. 2

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 842, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DENTAL SERVICE CORPORATIONS,"

begs leave to report as follows:

The purpose of this measure is to provide an administrative framework and oversight for dental service corporations by establishing requirements including:

- (1) Licensing and regulatory requirements;
- (2) Financial and solvency requirements;
- (3) Reporting and audit requirements; and
- (4) Insurance coverage, benefits disclosure, and enrollment requirements.

The Department of Commerce and Consumer Affairs testified in support of this measure. The Hawaii Dental Association testified in opposition of this measure.

Your Committee has amended this measure by:

- (1) Preventing unlicensed persons from providing dental care services under the chapter established by this measure by restricting the definition of "provider" to include

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only those persons licensed to practice dentistry as defined in section 448-1, Hawaii Revised Statutes;

- (2) Requiring, rather than permitting, dental service corporations to adopt provisions for the coordination of benefits plans for persons covered by two or more group health insurance or health care plans, to prevent situations of overinsurance and provide for the orderly payment of claims;
- (3) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 842, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 842, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ANGUS L.K. MCKELVEY, Chair



